THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ) : (a) to (c) Yes, Sir. Several companies have been registered for carrying on the business of plantations and other agroforestry operations. These companies have advertised certain schemes offering ownership of fully grown trees at the end of investment period of 15 to 20 years. The MRTP Commission, on the basis of the several applications and preliminary investigation reports submited by the Director General of Invetigation, has instituted enquiries against the following companies for the alleged unfair trade practices :—

(i) M/s Sanghi Plantations Ltd.

(ii) M/s Greenland Developers Pvt. Ltd.

(iii) M/s Natural Agro Farms Pvt. Ltd.

(iv) M/s Grindley Forestry Ltd.

(v) M/s Sterling Tree Magnum (India) Ltd.

(vi) M/s Anubhav Plantations Ltd.

MRTP Commission

2038. SHRI ANANT RAM JAISWAL : SHRIMATI SATYA BAHIN :

Will the PRIME MINISTER be pleased to state :

(a) whether produce profitability or group profitability is relevant to decide profiteering for the purpose of MRTP Commission ;

(b) how goods have been defined in the MRTP and what is the relevance of old classification of goods which was drawn for the purpose of determining dominance ;

(c) what is the ceiling of profit on net worth or capital employed or on sales turn-over beyond which profiteering applies; and

(d) whether it is a fact that no guidelines or ground rules have been developed by the commission for the purpose ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ) : (a) The terms 'product profitability' or 'group profitability' as such have not been defined in the M.R.T.P. Act, 1969. However, section 2 (i) (V) of the Act provides that a trade practice which has, or is likely to have, the effect of increasing unreasonably the profits which are, or may be, derived by the production, supply or distribution (including the sale or purchase) of any goods or by the provision of any service would mean a monopolistic trade practice.

(b) The goods for the purpose of M.R.T.P. Act means goods as defined in the, Sale of Goods Act, 1930 and includes :—

(i) products manufactured, processed or mind in India;

(ii) shares and stocks including issue of shares before allotment ;

(iii) in relation to goods supplied, distributed or controlled in india, goods imported into India ;

The M.R.T.P. (Classification of Goods) Rules, 1971 are relevant for the purpose of chapter III of M.R.T.P. Act, 1969.

(c) No such ceiling has been prescribed in the M.R.T.P. Act.

(d) Yes, Sir.

Violation of election code during state Assembly elections

2039. SHRI KRISHAN LAL SHARMA : Will the PPRIME MINISTER be pleased to state :

(a) what is the number of cases of violation of election code which came to the notice of Election Commission during State Assembly elections held last month, State-wise ;

(b) the nature of cases of violations ;

(c) the details of repolls conducted ; and

(d) the action taken on the spot and afterwards ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ) : (a) and (b) The Election Commission has informed that it has received and is still receiving in large number of complaints of violation of model code of conduct by means of letters, telegrams, telax, fax messages and on telephone and it had not been possible for it to compile the details of all these complaints.

(c) The Election Commission has informed that no repoll had been ordered for violation of model code of conduct, though in one case relating to 62—Satna Assembly constituency in Madhya Pradesh the original poll itself has been postponed due to such violation.

(d) The Commission has informed that it is strictly enforcing the model code of conduct.

Raising of holding by MNCs

2040. SRI CHATURANAN MISHRA :
SHRI N. E. BALRAM :

Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that 34 MNCs have already raised their holdings to 51 per cent or more and majority of them have effected the hikes at a massive discount and 24 more MNCs are expected to do the same on the coming months ;

(b) if so, whether Government favour this system of hiking share-holdings at heavy discount, if not, what action Government contemplate in this regard;

(c) the reasons for which foreign partners in companies manufacturing Soap, Tea or Cosmatics are allowed to have majority equity ;

(d) whether Government propose to issue new instructions to Financial Institutions to protect the interest of small share-holders and see that effective corporate democracy is restored ; and

(e) whether Government differentiate between stock issues by Indian and foreign promoters and give more privileges to foreign promoters ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ) : (a) and (b) Section 81 (IA) of the Companies Act, 1956 empowers a company to issue further shares to any person (whether any existing shareholders or other person, in any manner whatsoever if a special resolution to that effect is passed by the company in general meeting. Under the extant provisions, preferential allotemnt can be made to any person including 9 segment of existing shareholders on such price as may be approved by the shareholders in the general meeting. Several instances have come to the notice of the Government where Indian companies with foreign shareholding have increased their stake by issue of further shares to their principal abroad at a nominal premium below the market price after passing special resolution.

(c) The New Industrial Policy announced by the Government in July, 1991, *inter alia*, envisages allowing direct foreign investment upto 51% in Indian companies on selective basis.

(d) and (e) No, Sir.

De-limitation of constituencies

2041. SHRI V. HANUMANTHA RAO : Will the PRIME MINISTER be pleased to state :

(a) whether there is any proposal under Government's consideration to carryout De-Limitation of various Constituencies which have grown too large due to migration of population ;

(b) whether it is a fact that necessary legislation has been formulated ;

(c) if so, what are the reasons for delay in passing a legislation in this regard ; and

(d Whether the States practicing family welfare programmes would be given any benefit in the matter of allotment of number of Constituencies to Parliament ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ) : (a) to (d) The Constitution